[31st January 1961

Be it enacted in the Twelfth Year of the Republic of India as follows :—

1. *Short title and extent.*—(1) This Act may be called the Evacuee Interest (Separation) Madras Supplementary Act, 1961.

(2) It extends to the whole of the State of Madras.

2. *Application of Evacuee Interest (Separation) Amendment Act, 1960, to the State.*—The amendments made to the Evacuee Interest (Separation) Act, 1951 (Central Act LXIV of 1951), by the Evacuee Interest (Separation) Amendment Act, 1960 (Central Act 27 of 1960), shall, in so far as they relate to any matter enumerated in List II in the Seventh Schedule to the Constitution, be as valid and binding as if the provisions of the said amendments had been enacted by the Legislature of the State of Madras.

3. *Repeal.*—The Evacuee Interest (Separation) Madras Supplementary Ordinance, 1960 (Madras Ordinance 2 of 1960), is hereby repealed.

APPENDIX IV.

[Vide item IV (3) on page 258 supra.]

(L.A. BILL No. 26 OF 1960.)

(As passed by the Assembly.)

A Bill further to amend the Madras State Aid to Industries Act, 1922.

Whereas it is expedient further to amend the Madras State Aid to Industries Act, 1922 (Madras Act V of 1923), for the purposes hereinafter appearing;

Be it enacted in the Twelfth Year of the Republic of India as follows :—

1. *Short title and commencement.*—(1) This Act may be called the Madras State Aid to Industries (Amendment) Act, 1961.

(2) It shall come into force on such date as the State Government may, by notification, appoint.

2. *Amendment of section* 1-*A*, *Madras Act V of* 1923.—In section 1-A of the Madras State Aid to Industries Act, 1922 (Madras Act V of 1923 (hereinafter referred to as the principal Act)—

(i) after clause (i), the following clause shall be inserted, namely :—

" (i-*a*) ' sanctioning authority ' means any authority, officer or other person authorized to grant aid by or under this Act;";

(ii) after clause (ii), the following clause shall be inserted, namely :—

" (ii-*a*) ' transfer ' with all its grammatical variations and cognate expressions includes sale, exchange, mortgage, charge, lease or gift; ".

31st January 1961]

3. *Amendment of section* 8, *Madras Act V of* 1923.—In section 8 of the principal Act, for sub-section (3), the following sub-section shall be substituted, namely :—

" (3) Every application for aid exceeding in amount or value twenty-five thousand rupees shall be placed before the Board of Industries for advice."

4. *Amendment of section* 10, *Madras Act V of* 1923.—In section 10 of the principal Act—

(i) after sub-section (1), the following sub-section shall be inserted, namely :—

" (1-A) Notwithstanding anything contained in sub-section (1), but subject to such conditions, restrictions and limitations as may be prescribed, loans may be granted under this Act on the personal security of the applicant, and every such loan shall bear interest payable on such dates and at such rates as the State Government may determine.";

(ii) in sub-section (2), for the word, brackets and figure " sub-section (1) ", the words, brackets, figures and letter " sub-section (1) or sub-section (1-A) " shall be substituted.

5. *Insertion of new sections* 10-*A and* 10-*B in Madras Act V of* 1923.—After section 10 of the principal Act, the following sections shall be inserted, namely :—

" 10-A. *Prohibition of transfer of property without permission of the sanctioning authority.*—(1) Where, before or after the commencement of the Madras State Aid to Industries (Amendment) Act, 1961, any property has been taken as security for any loan granted or any grant made under this Act, then, notwithstanding anything to the contrary in any other law for the time being in force or in the deed of transfer or other document relating to such property, such property shall not be transferred without the written permission of the sanctioning authority.

(2) The sanctioning authority may, in its discretion, by order, permit the transfer of any such property, if the transfer is made in furtherance of the purposes for which the loan was granted or the grant was made, and the assets resulting from the transfer are to be wholly utilized in furtherance of the said purposes.

Explanation.—When granting permission under this sub-section, the sanctioning authority may impose such condition as it may deem fit to ensure that the assets resulting from the transfer are wholly utilized in furtherance of the purposes for which the loan was granted or the grant was made; but a contravention of any such condition imposed on the transferor shall not invalidate the transfer.

(3) If any such property is transferred without such permission, the transfer shall be null and void.

[31st January 1961

10-B. *Court not to attach, sell, etc., without permission of the sanctioning authority.*—(1) No property referred to in section 10-A shall be liable to be attached, sold, or made subject to a charge by any court, whether in execution of a decree or order or otherwise, unless the person seeking such relief from the Court has obtained the written permission of the sanctioning authority to do so and files such permission in court.

(2) When granting such permission, the sanctioning authority may impose such conditions as it may deem fit to secure the proper repayment of the loan or grant together with any interest chargeable thereon and cost, if any, incurred.

(3) If any such property is attached or sold, or a charge is created thereon by any court without the permission of the sanctioning authority having been obtained and filed as aforesaid, or if any condition imposed by the sanctioning authority when granting such permission is contravened, then, the attachment, sale or charge, as the case may be, shall be null and void."

6. *Amendment of section 17-B, Madras Act V of* 1923.—In section 17-B of the principal Act—

(*a*) in sub-section (1), brackets and figure " (1) " occurring at the commencement shall be omitted;

(*b*) sub-section (2) shall be omitted.

7. *Insertion of new sections 17-C and 17-D in Madras Act V of* 1923.—After section 17-B of the principal Act, the following sections shall be inserted, namely :—

" 17-C. *Appeal.*—(1) Any person who is aggrieved by a decision granting or refusing to grant aid under this Act may, within such time as may be prescribed, appeal—

(*a*) where the decision is that of the Director of Industries and Commerce, to the State Government;

(*b*) where the decision is that of any other authority, officer or person, to the prescribed authority or officer.

(2) The appellate authority may make such order in the case as it may think fit :

Provided that the appellate authority shall not pass any order prejudicial to any party unless he has had a reasonable opportunity of making his representations.

(3) Every order passed in appeal under this section shall, subject to the provision of section 17-D, be final.

17-D. *Power of Government to call for records and pass orders.*—(1) The State Government may call for and examine the record of any officer or authority subordinate to them in respect of any proceeding to satisfy themselves as to the regularity of such proceeding or the correctness, legality or propriety of any decision or order passed therein; and if, in any case, it appears to the State Government that any such decision or order should be modified, annulled, reversed or remitted for reconsideration, they may pass orders accordingly :

31st January 1961]

Provided that the State Government shall not pass any order prejudicial to any party unless he has had a reasonable opportunity of making his representations.

(2) No application to the State Government for the exercise of their power under sub-section (1) shall be made in respect of any proceeding of any officer or authority other than the Director of Industries and Commerce or of any decision or order passed in any such proceeding unless an appeal had already been preferred in respect of such proceeding, decision or order under section 17-C and such appeal had been disposed of.".

8. *Amendment of section* 19, *Madras Act V of* 1923.—In section 19 of the principal Act—

(1) in sub-section (*a*), after the words "The State Government may", the words "by notification", shall be inserted;

(2) in sub-section (*b*),—

(*a*) in clause (5), for the words "Director of Industries and Commerce", the words "sanctioning authority" shall be substituted; and

(*b*) for clause (15), the following clause shall be substituted, namely :—

"(15) the conditions under which and the security on which loans shall be granted or guarantees of a cash credit, overdraft or fixed advance with a bank given to any industrial business or enterprise under this Act;";

(3) for the proviso, the following sub-sections shall be substituted, namely :—

(*c*) All rules made under this Act shall be published in the *Fort St. George Gazette* and, unless they are expressed to come into force on a particular day, shall come into force on the day on which they are so published.

(*d*) Every rule made under this Act shall, as soon as possible, after it is made, be placed on the table of both Houses of the Legislature, and if, before the expiry of the session, in which it is so placed or the next session, both Houses agree in making any modification in any such rule or both Houses agree that the rule should not be made, the rule shall thereafter have effect only in such modified form or be of no effect, as the case may be, so however, that any such modification or annulment shall be without prejudice to the validity of anything previously done under that rule.".

MEMORANDUM REGARDING DELEGATED LEGISLATION.

New sub-section (1-A), proposed to be inserted in section 10 of the principal Act by clause 4 of the Bill, empowers the State Government to prescribe the conditions, restrictions and limitations subject to which loans may be granted under the Act on the

12 SEP 1961
STATE LEGISLATURE, MADRAS

personal security of the applicant and to determine the rates at which and the dates on which interest on such loans shall be payable.

New section 17-C proposed to be inserted by clause 7 of the Bill, empowers the State Government to prescribe the time within which any person aggrieved by a decision granting or refusing to grant aid under the Act may appeal to the authority specified therein. Again, clause (*b*) of sub-section (1) of that section empowers the State Government to prescribe the authority or officer to whom an appeal shall lie against the decision of any authority, officer or person other than the Director of Industries and Commerce, granting or refusing to grant aid.

The delegation of power referred to above is necessary to give effect to the provisions of the Bill when enacted, and is of a normal character.

APPENDIX V.

[Vide item IV (4) on page 267 supra.]

(L.A. Bill No. 1 OF 1961.)

A Bill further to amend the Madras General Sales Tax Act, 1959.

WHEREAS it is expedient further to amend the Madras General Sales Tax Act, 1959 (Madras Act 1 of 1959), for the purpose hereinafter appearing;

BE it enacted in the Twelfth Year of the Republic of India as follows :—

1. *Short title and commencement.*—(1) This Act may be called the Madras General Sales Tax (Amendment) Act, 1961.

(2) It shall be deemed to have come into force on the 19th October 1960.

2. *Amendment of the First Schedule, Madras Act* 1 *of* 1959.—In the First Schedule to the Madras General Sales Tax Act, 1959 (Madras Act 1 of 1959), item 48 shall be omitted.

I certify that this is a Money Bill.

FORT ST. GEORGE,
MADRAS-9,
Dated 30th January 1961.

U. KRISHNA RAU,
Speaker, Madras Legislative Assembly.